

(Boston Redevelopment Authority)

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GOVERNMENT CENTER - Tax Base Analysis By Parcel

The estimated revenue to the City upon completion will be about \$3,140,000, a gain of approximately \$1,090,000 over the pre-renewal yield of both the "acquired" and "not to be acquired" properties within the project area. The Table below summarizes the overall tax impact.

Municipal Revenues^{1/}
From Government Center

	Pre-Renewal	Post Renewal
Municipal Revenue from Acquired Properties	\$ 1,710,000	\$ 2,745,900
Municipal Revenue from Not To Be Acquired Properties	\$ 340,000	\$ 392,600 ^{2/}
TOTAL	\$ 2,050,000	\$ 3,138,500
Net Gain in Municipal Revenue		\$ 1,088,500

1/ Based on \$100 per M tax rate.

2/ Reflects additions to Telephone Co. Bldg. & Boston Edison Bldg.

The following Table presents a parcel by parcel breakdown of the project. The estimates of municipal revenues were made by relying in the main upon the net square feet per parcel figures developed in a tax study for the Council hearings by the Government Center staff.



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You will note that the total revenues from the project are about \$260,000 below the revenues estimated in the earlier program-wide tax study. This discrepancy can be explained by different estimates of rent and space levels which were developed in the earlier study. For this study, I estimated average rents to be \$6.00 per square foot on all office buildings except for Parcels 8 and 12, which were estimated at \$6.70. According to the Parcel 8 Financing Program, the average rent is expected to be \$6.70 for that structure. If actual rent levels turn out to be 10% higher, then the original estimates will be achieved.

Parcels 8 and 12 (excluding the garage) plus the Payment in Lieu of Taxes on the State Service Center will return to the City about \$1.72 million, which is slightly more than the \$1.71 million from all the acquired parcels prior to renewal. Thus, the financial success of the project seems assured. The degree of success hinges on the development of the remaining private parcels.

JB:ef

Municipal Revenues* From Development Parcels

Government Center

Parcel	Development	Estimated Net Sq. Footage	Est. Average Rent (If Applicable)	Est. Municipal Revenue Upon Completion
1	State Service Center	-	-	\$ 199,100 ^{1/}
2	Office(Tel. Co.)	40,000	-	\$ 45,000
2	Office	80,000	\$ 6.00	\$ 110,000
2	Office	100,000	\$ 6.00	\$ 138,000
2	Office	20,000	\$ 6.00	\$ 27,600
3	Boston Edison	10,000	-	\$ 7,600 ^{2/}
7	Motel	220,000	-	\$ 100,000 ^{3/}
	Office	130,000	\$ 6.00	\$ 179,400
8	Office Tower	544,000	\$ 6.70	\$ 836,000
9	Office	85,000	\$ 6.00	\$ 117,300
10	Office-Sears	37,500	-	\$ 51,750
	New Building	40,000	-	\$ 55,200
12	Office Building	450,000	\$ 6.70	\$ 893,450
	Garage	100,000	-	\$ 51,000
13	Office Building	90,000	\$ 6.00	\$ 124,200
14	Office Building	12,000	\$ 6.00	\$ 16,500
15	Office Building	30,000	\$ 6.00	\$ 41,400
				\$ 2,794,217

* Office Buildings Municipal Revenues based on 23% of Gross Rental Incomes.

1/ Payment in lieu of taxes.

2/ Addition to existing structure.

3/ Based on 10% of estimated assessment of \$1,000,000

SOURCE: Boston Redevelopment Authority Research Unit.

